

crores during 1996-97 under Plan Head, a sum of Rs. 110 crores has been allocated for 1997-98 for the handloom sector.

(c) Yes Sir. The Project Package Scheme inter-alia envisages release of assistance for modernisation of looms.

(d) A sum of Rs. 263.32 crores was released to various State Governments and UTs under Plan Schemes during the VIIIth Plan period.

(e) During the VIIIth Plan, the handloom cloth production had increased from 5219 million Sq. mtrs. in 1992-93 to 7235 million sq. mtrs. in 1996-97 registering an increase of 38.6%.

(f) The Ninth Five Year Plan provision for Handloom Sector has not been finalised by the Government.

Foreign Exchange Dealers

530. SHRI BANWARI LAL PUROHIT: Will the Minister of FINANCE be pleased to state:

(a) whether the revenue intelligence agencies have launched a countrywide investigations into the working of many foreign exchange dealers;

(b) if so, the reasons therefor and the details thereof; and

(c) the steps taken by the Government to curb the illegal activities of such foreign exchange dealers?

THE MINISTER OF STATE OF THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) No, Sir. However, during 1996-97 the Enforcement Directorate has initiated investigations against 11 authorised dealers/money changers in the cases relating to suspected violations of the provisions of Foreign Exchange Regulation Act, 1973 (FERA).

(c) The Government keeps a constant vigil to keep a check on the illegal activities of the foreign exchange dealers.

CBI Enquiry Against IOB

531. SHRI MANGAL RAM PREMI: Will the Minister of FINANCE be pleased to refer to the reply given to Unstarred Question No. 4392 dated March 21, 1997 regarding "CBI enquiry against IOB" and state:

(a) whether the information has since been collected;

(b) if so, the details thereof;

(c) the action taken thereon;

(d) the number of officers in the private and public sector banks who have been issued show cause notices for not following the laid down norms of RBI and/or for showing negligence in performing their duties; and

(e) the action taken/proposed to be taken against such officers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (c) Certain clarifications have been sought in respect of information furnished by the Indian Overseas Bank for fulfilling the assurance given in response to Unstarred Question No. 4392 dated March 21, 1997.

(d) and (e) The present data reporting system in the Reserve Bank of India does not generate information asked for in the Question. However, the information relating to action taken against delinquent employees of public sector banks for their involvement in frauds during the years 1994, 1995 & 1996 is given below:-

	1994	1995	1996
(a) No. of employees convicted	50	33	46
(b) No. of employees dismissed/ discharged/removed	380	301	331
(c) No. of employees awarded major/minor penalty	1248	1160	1207

[Translation]

Supply of Coal

532. SHRI RAVINDRA KUMAR PANDEY: Will the Minister of COAL be pleased to refer to reply given to unstarred Question No. 3314 on March 14, 1997 and state:

(a) whether the Ministry has sent the above proposal to the Standing Convention Committee (long term);

(b) if so, the time by which the process for supply of Coal is likely to be completed; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH): (a) to (c) Damodar Valley Corporation had earlier proposed to set up 4 x 210 MW capacity Maithan Right Bank TPS and coal supply had been agreed to from Bharat Coking Coal Ltd. sources. The capacity of this TPS has now been upgraded to 1000 MW (4 x 250 MW) and the request of DVC for long-term linkage for this TPS has been received in the Ministry of Coal in February, 1997. The proposal of DVC would be considered by the Standing Linkage Committee (Long-Term), alongwith others, in the meeting proposed to be held in the first week of August, 1997.

[English]

Vacant Highest Posts in Public Financial Units

533. PROF. AJIT KUMAR MEHTA: Will the Minister of FINANCE be pleased to state:

(a) the public sector financial units in which the highest posts are presently lying vacant;

- (b) the reasons therefor; and
 (c) the measures taken by the Government to solve the problem?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) At present the posts of Chairman and Managing Director, Export-Import Bank of India and Chairman and Managing Director, United India Insurance Company Limited are lying vacant.

(b) and (c) Action has already been initiated for filling up these posts.

RRB, Rajasthan

534. SHRI MAHENDRA SINGH BHATI: Will the Minister of FINANCE be pleased to state:

- (a) the number of location of the Regional Rural Banks (RRBs) functioning in Rajasthan;
 (b) the main objectives of these banks and the extent to which these objectives have been achieved during 1995-96, 1996-97;
 (c) whether some of these banks are facing financial crisis;
 (d) if so, the reasons therefor; and
 (e) the measures taken by the Government to improve the performance of the above banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) There are fourteen (14) Regional Rural Banks (RRBs) operating in Rajasthan with their headquarters located at Jaipur, Pali, Sikar, Churu, Bharatpur, Sawai Madhopur, Kota, Udaipur, Jodhpur, Bundi, Bhilwara, Dungarpur, Sriganganagar and Bikaner.

(b) The main objectives of the RRBs are to take the banking services to the door steps of rural masses particularly in hitherto unbanked areas, to make available institutional credit to the weaker sections of the society, to mobilise rural savings and channelise them for supporting productive activities in the rural areas, to create supplementary channel for flow of credit from the central money market to the rural areas through refinance, to generate employment opportunities in rural areas and to bring down the cost of purveying credit in rural areas.

The details of deposits mobilised, loans disbursed and loans outstanding of RRBs in Rajasthan are given below:-

(Rs. in crores)

Year	Deposits	Loans disbursed	Loans outstanding
1993-94	555.01	68.06	226.85
1994-95	697.66	106.72	279.09
1995-96	888.98	155.76	350.30

(latest available)

(c) to (e) The financial position of the RRBs is weak and the reasons for losses include, inter-alia, limited area of operation, low business potential, the then prevailing administered interest regime, high staff costs, low productivity and poor recovery performance.

As a part of revamping RRBs during the last three years, five (5) RRBs in Rajasthan have been provided recapitalisation support by the Government to an extent of Rs. 26.72 crores (representing Government of India share of 50%) for cleansing of their balance sheets. Other steps taken to strengthen RRBs include, inter-alia, widening the range and scope of services, relocation of loss making branches of better locations, preparation of bank specific development action plans and finalisation of Memoranda of Understanding (MOUs), accessibility to profitable avenues of investment, application of prudential accounting and provisioning norms and total deregulation of interest rates w.e.f. 26.08.1996. Further, with a view to impart viability to lending operations of RRBs and to bring about uniformity in approach on lending alongwith Commercial Banks, Reserve Bank of India (RBI) have recently stipulated that, beginning from 1st April, 1997, the advances of RRBs to priority sector should constitute 40% of their outstanding advances as in the case of Commercial Banks.

Foreign Funds for Core Sector

535. SHRI T. GOPAL KRISHNA: Will the Minister of COMMERCE be pleased to state:

- (a) whether the Government plays an active role to woo foreign funds for the core sectors;
 (b) if so, the action taken by the Government in this regard during the last one year; and
 (c) the other steps taken to promote investment and trade flows?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) Yes, Sir. Government have taken several measures to encourage trade's investment in the core sector.

- (b) The action taken in this regard by the Government are:
 (i) Automatic approval upto 51% of foreign equity in high priority industries.
 (ii) Automatic approval upto 50% foreign equity in 3 categories of industries/items relating to mining activities.
 (iii) 74% of foreign equity in 9 categories of industries/items.

(iv) Substantial flexibility has been given to Indian corporates in the matter of accessing the global market through Global Depository Receipts (GDR)/foreign currency convertible bonds (FCCB).

(v) Fils have also been permitted to invest in unlisted companies with a view to attracting such investments in infrastructure sector.